

VZCZCXRO9186  
PP RUEHFK RUEHKSO RUEHNAG RUEHNH  
DE RUEHKO #5653/01 3600317  
ZNR UUUUU ZZH  
P 260317Z DEC 07  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC PRIORITY 0551  
INFO RUEKJCS/SECDEF WASHDC PRIORITY  
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY  
RUEAWJA/USDOJ WASHDC PRIORITY  
RULSDMK/USDOT WASHDC PRIORITY  
RUCPDOG/USDOC WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC//J5//  
RHHMUNA/HQ USPACOM HONOLULU HI  
RHHMHBA/COMPACFLT PEARL HARBOR HI  
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//  
RHMFIUU/USFJ //J5/JO21//  
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA  
RUAYJAA/CTF 72  
RUEHNH/AMCONSUL NAHA 7535  
RUEHFK/AMCONSUL FUKUOKA 5139  
RUEHOK/AMCONSUL OSAKA KOBE 8804  
RUEHNAG/AMCONSUL NAGOYA 3843  
RUEHKSO/AMCONSUL SAPPORO 5769  
RUEHBJ/AMEMBASSY BEIJING 0788  
RUEHUL/AMEMBASSY SEOUL 6849  
RUCNDT/USMISSION USUN NEW YORK 7545

UNCLAS SECTION 01 OF 08 TOKYO 005653

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;  
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;  
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;  
SECDEF FOR JCS-J-5/JAPAN,  
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA  
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;  
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 12/26/07

Index:

Whaling:

1) Japan calls off hunt for humpbacks (Asahi) 3

Political issues:

2) Prime Minister Fukuda scraps Abe's NSC plan (Yomiuri) 3

3) MOFA to retain Vice Minister Yachi (Sankei) 4

4) Cabinet Secretariat to set up intelligence analysis post  
(Yomiuri) 4

Defense and security issues:

5) GOJ not to review midterm defense buildup program in current  
fiscal year (Yomiuri) 5

6) Okinawa Gov. Nakaima calls for Tokyo to review Futenma assessment  
plan (Nikkei) 5

7) Police, MSDF send papers to prosecutors on Aegis leaks (Sankei)  
5

8) GOJ sees SDF Afghan mission as constitutional (Yomiuri) 6

9) Universities also to block military spies (Yomiuri) 6

10) ASDF posts liaison officer to new U.S. command in Hawaii  
(Sankei) 7

Japan-China ties:

11) Japan-China summit set for Dec. 28 (Tokyo Shimbun) 7

12) Beijing deems it difficult to reach agreement with Tokyo in E.  
China Sea gas development talks (Asahi) 8

13) Japan-China joint fund eyed for environmental preservation in  
China (Nikkei) 8

Energy topics:

- 14) 18 countries to participate in U.S. nuclear recycle plan,  
including Mitsubishi Heavy Industries (Nikkei) 8  
15) Japan to take over North Korea's 45 billion yen debt on  
light-water reactor construction (Yomiuri) 9

Articles:

- 1) Japan to suspend humpback whaling for year or two, out of  
consideration to IWC, Australia

ASAHI (Page 1) (Full)  
December 22, 2007

The government announced yesterday that it would call off for a year or two the catch of humpback whales, which Japan included on its list of species subject to its research whaling early this year, meeting strong reactions from Australia and the United States. Humpbacks are popular among whale-watchers. Japan's decision on the temporary suspension came in response to International Whaling Commission (IWC) Chairman William Hogarth's expression of his determination to normalize the function of the IWC, in which discussions over the whaling issue have become polarized and emotional.

In a press conference yesterday, Chief Cabinet Secretary Machimura revealed that Chairman Hogarth had asked Japan to suspend humpback whaling for a year or two while the IWC makes efforts to normalize its function. He added: "We will not change the research whaling plan, but the government will suspend humpback whaling while the IWC-normalization process is underway."

TOKYO 00005653 002 OF 008

According to officials of the Ministry of Agriculture, Forestry and Fisheries (MAFF), Chairman Hogarth, keeping in mind Japan's position of vice chair of the IWC, visited Japan in mid-December and called for Japan's cooperation for the commission's utmost efforts to normalize its operations. MAFF takes the view that there will be no problem with the domestic supply of whale meat even without hunting humpbacks.

Japan's whaling fleet left Shimonoseki Port in Yamaguchi Prefecture in mid-November this year and arrived at an area near the Southern Ocean. It plans to catch 850 minke whales, 50 fin whales, and 50 humpbacks.

However, the Australian government announced that it will send a fisheries patrol ship to monitor Japan's whaling activities in the Southern Ocean to collect evidence for a potential legal case against Japan's whaling program. A spokesman for the U.S. State Department also called Japan to practice self-control. As it stands, criticism of Japan's whaling is growing in the international community. The ambassadors to Japan of several countries, including Australia and Argentina, visited the Foreign Ministry yesterday and submitted a statement by about 30 countries against the resumption of Japan's research whaling.

MAFF Minister Wakabayashi said that the government's decision to call off humpback whaling was "not based on Australia's announcement." But as Machimura said: "I think the decision could result in improving the relationship with Australia," consideration to relations with Australia was also behind the decision. Foreign Minister Koumura informed Australian Foreign Minister Smith of Japan's decision.

- 2) Government formally drops idea of establishing Japanese version of U.S. National Security Council but notes it is necessary to strengthen Kantei functions

YOMIURI (Page 2) (Excerpts)  
December 25, 2007

The government formally decided at a meeting on Dec. 24 of its Security Council held at the Prime Minister's Official Residence

(Kantei) to abandon the idea of establishing a Japanese version of the U.S. National Security Council (NSC) aimed at strengthening the command functions of the Kantei. In line with this decision, the government will scrap related bills during the current session of the Diet, including a bill revising the Security Council Establishment Law. During the session, Prime Minister Fukuda said, "Under the current political situation, we can't discuss the bills, and I think it is less likely that the bills will be approved." He added: "Strengthening the functions of the Kantei is necessary. I hope to see the chief cabinet secretary, the foreign minister, and the defense minister work in closer cooperation and play the roles expected of a Japanese version of the U.S. NSC."

### 3) Appointment of new administrative vice foreign minister deferred

SANKEI (Page 2) (Excerpts)  
December 26, 2007

The government decided to delay appointing a new administrative vice foreign minister, which was planned for January. Behind this decision is the government's judgment that because the current

TOKYO 00005653 003 OF 008

extraordinary session of the Diet has been re-extended to Jan. 15, the government has no time to spare to select a new vice minister.

Incumbent Administrative Vice Foreign Minister Shotaro Yachi (63) is to retire in March, but the government will delay his retirement so that personnel replacement, including the selection of a new vice minister, will be carried over to next summer after the coming ordinary Diet session.

### 4) Government to set up info analyst posts to strengthen intelligence functions

YOMIURI (Page 4) (Slightly abridged)  
December 25, 2007

The government will strengthen its intelligence functions next fiscal year. It plans to set up intelligence analysis posts tasked with analyzing developments in issues such as the threat of North Korea and international terrorism in the Cabinet Secretariat. The government has also decided to establish a counterintelligence center with the aim of thoroughly protecting its information. Although the Fukuda administration officially decided yesterday to abandon a plan initiated by the former Abe administration to create a Japanese version of the U.S. National Security Council (NSC), it intends to enhance the government's ability to collect and analyze information.

In a press conference yesterday, Chief Cabinet Secretary Machimura stressed that the government would strengthen intelligence gathering, saying: "Raising the government's intelligence-gathering abilities is a basic requirement for preserving Japan's peace, security and independence."

About five analysts will be appointed to the Cabinet Intelligence and Research Office. They will be in charge of specialized areas, such as the Korean Peninsula, China and other Asian countries, international terrorism, and weapons of mass destruction. Based on analysis of information obtained by the government through persons or satellites, they will draft an information-assessment report and submit it to the Prime Minister's Office.

The government intends to select for the posts "persons with specialized skills from both the government and the private sector," according to a senior officer of the Cabinet Intelligence Office.

### 5) Midterm defense plan not to be reviewed in current fiscal year: Machimura

YOMIURI (Page 2) (Full)  
December 25, 2007

Chief Cabinet Secretary Machimura, meeting the press yesterday, said the government for now would not review its current midterm defense

buildup plan for the period of five fiscal years from 2005 through 2009. The current midterm defense buildup plan totals 24.24 trillion yen. "We will consider what to do about it after seeing the outcome of the advisory panel's discussions on a reform of the Defense Ministry," Machimura said. The government, if necessary, is to review the defense buildup plan during the current fiscal year as its third year in consideration of the international situation and financial circumstances. However, the government has set up the Defense Ministry reform panel in the wake of scandals involving the

TOKYO 00005653 004 OF 008

Defense Ministry. The panel is expected to work out an interim report in February next year. The government will then decide on whether to review the plan.

6) Futenma assessment plan insufficient: Nakaima

NIKKEI (Page 2) (Full)  
December 22, 2007

Okinawa Prefecture's Governor Hirokazu Nakaima yesterday presented the Okinawa Defense Bureau with a statement calling for the government to review its environmental impact assessment plan for the relocation of the U.S. military's Futenma airfield in Okinawa Prefecture to the island prefecture's northern coastal city of Nago. Nakaima, in his statement, takes the position that the environmental assessment plan is "insufficient" in terms of what to survey and how to assess a potential impact on the environs of the relocation site for Futenma.

The governor's statement calls for the government to disclose information about aircraft types and flight operations for the newly planned facility. Meanwhile, Nago City has proposed moving the Futenma relocation site to an offshore area. In this respect, the governor also calls for the government to conduct a fact-finding survey of aircraft noise. The government is planning to start an environmental survey in February next year. Nakaima asked the government to release its review of the assessment plan before that.

7) Papers pertaining to the case of Aegis information leak against four SDF officers, including one lt. cmdr., sent to prosecutors

SANKEI (Page 22) (Abridged)  
December 26, 2007

The Kanagawa Prefectural Police and the Maritime Self-Defense Force Criminal Investigation Command, which were jointly investigating the case of a petty officer 2nd class (33) having taken key information on the Aegis defense system, yesterday sent to prosecutors papers pertaining to the leak of classified information involving four SDF officers, including a lieutenant commander (43) at the MSDF Fleet Training Command, who had taught at the MSDF First Service School, on charges of violation of the Law Concerning the Protection of Secrets for the Japan-U.S. Mutual Defense Assistance Agreement, thus

SIPDIS  
winding up their investigation into the case.

Three other officers who have been referred to prosecutors were: a lieutenant (49) who had taught at the above service school and who faces additional charges; a petty officer 2nd class (38) who had been a student at Maizuru Training Center; and a leading seaman (24) who had been assigned to service activity at Yokosuka Base.

8) Government decides to interpret SDF's participation in ISAF as constitutional in terms of complementing police activities

YOMIURI (Top play) (Lead paragraph)  
December 22, 2007

It was learned on Dec. 21 that the government has come to the view that the Self-Defense Forces' (SDF) participation in the International Security Assistance Force (ISAF) operating in Afghanistan would be constitutional. In the past, however, cabinet

members had stated in their Diet replies that the SDF's participation in ISAF would be regarded as the use of armed force, which is prohibited by the Constitution. By making changes to this stance, the government has now come out with a fresh view that ISAF's main activities would not be regarded as the use of weapons in light of international law and has noted that in some cases, the SDF would be allowed to take part in ISAF activities that might use armed force. The government has thus implied the possibility of the SDF's future participation in ISAF, even though there is another condition that must be met, which is how to confirm a "noncombat area." As for the SDF's participation in ISAF at this point in time, the government will assess the security situation in Afghanistan and carefully decide whether to send the SDF to that country, even though the constitutional issue has now been resolved.

9) Protection of WMD-convertible technology at universities:  
Government plans to adopt stricter screening system when accepting foreign students

YOMIURI (Page 2) (Full)  
Evening, December 25, 2007

The government yesterday mapped out guidance on technical control of security trade guidelines targeting research organs and universities, with the aim of preventing the outward flow of technologies convertible into weapons of mass destruction (WMD), such as nuclear weapons. The guidelines call for setting disclosure standards for such technologies and adopting a stricter screening system for the acceptance of foreign students. The government will notify related organs of the guidelines early next year.

The guidelines were mapped out by the Ministry of Economy, Trade and Industry (METI) and the Ministry Education, Culture, Sports, Science and Technology (MEXT). They call for setting three to four categories, such as "top secret," "secret" and "for internal use only," based on the principle that not all information should be disclosed freely and it should be checked whether the guidelines lack the viewpoint of security.

The guidelines also cite Iran, Iraq and North Korea as "countries of concern" that are developing WMDs. Regarding the acceptance of students from those countries, the package notes that it is necessary to cautiously consider technologies possessed by host sections and departments when accepting students who have the possibility of entering employment in military-affairs-related sectors or the military when they return their home countries.

According to MEXT, 229 Iranian students and researchers and 13 Iraqi students and researchers were studying in Japan as of May this year, but there are no North Koreans. The guidelines recommend that host entities vet applicants' personal history and nationalities at the stage when applications are filed.

As other points to keep in minds, the guidelines note: (1) staff members must submit all technical information they possess to universities or research organs before they resign; (2) the disclosure of information through patent applications and the release of theses should also be taken note of; and (3) when accepting tours of research facilities by foreigners, careful consideration must be given in advance to the specifics of the tours.

TOKYO 00005653 006 OF 008

10) ASDF posts liaison officer to new U.S. command in Hawaii

SANKEI (Top play) (Abridged)  
December 23, 2007

The Defense Ministry has sent a liaison officer to the U.S. Air Force's warfighting headquarters newly established in Hawaii, sources revealed yesterday. The newly launched headquarters, an organization in charge of planning and conducting operations, has

24-hour command and control functions using a satellite network. The new headquarters will command air operations in its area ranging from the Pacific Ocean to the Indian Ocean. Japan, with its liaison officer posted to the new command, will step up its intelligence sharing and interoperability with the United States for emergency and disaster relief operations.

The new command, called the Kenny Headquarters, is located at Hickam Air Force Base in Hawaii. It was established in June 2005 and is currently tasked with the Pacific Air Forces Headquarters' command and control functions. The Defense Ministry sent an Air Self-Defense Force lieutenant colonel to the Kenny Headquarters this month.

11) Japan-China summit on Dec. 28: Premier to visit China tomorrow

TOKYO SHIMBUN (Page 3) (Full)  
December 26, 2007

Chinese Foreign Ministry Spokesman Qin Gang on Dec. 25 released the Chinese side's schedule for welcoming Prime Minister Yasuo Fukuda, who will visit the nation from the 27th through the 30th. The top three officials -- President Hu Jintao, National People's Congress Standing Committee Chairman Wu Bangguo, and Premier Wen Jiabao -- will meet with Fukuda on the 28th. Wen will also attend a breakfast meeting on the 29th to cordially welcome him.

Qin underscored: "Prime Minister Fukuda's visit to China will carry a significant meaning for the development of China-Japan relations. The leaders will exchange in-depth opinions on issues of interest to both countries." However, regarding talks on the development of gas fields in the East China Sea, an issue that will likely have rough-going, Qin repeated China's usual stance that it will aim for an early settlement of the issue based on the principle of joint development, putting the dispute on the back burner. Regarding a joint statement after the summit, he remained cautious, simply saying, "Consultation is now under way."

Fukuda will deliver a speech at Beijing University on the 28th. On the 29th, he will visit a primary school in Beijing. He will then visit Tianjin, Wen's hometown, and Qufu in Shandong, the birthplace of Confucius. Wen visited Kyoto and Osaka along with Tokyo when he came to Japan in April. The Chinese side had asked Fukuda to visit provincial cities.

12) Chinese Foreign Ministry spokesman indicates difficulty in resolving gas-field development row

ASAHI (Page 4) (Full)  
December 26, 2007

(Kenji Minemura, Beijing)

In a regular press conference on Dec. 25, Chinese Foreign Ministry

TOKYO 00005653 007 OF 008

Spokesman Qin Gang said on the standoff over joint gas-field development in the East China between Japan and China, which is expected to be high on the agenda at the upcoming meeting between Prime Minister Fukuda and President Hu Jintao planned for Dec. 28: "Since there is a wide gap in both sides' views, negotiations have reached a stalemate." He added: "The Chinese government has always attended the negotiations in a positive and practical manner," indicating the need for Japan to make further efforts to resolve the dispute.

13) Environmental protection in China: Government, ruling camp mulling establishment of joint Japan-China fund as proposal by PM Fukuda in China: Coordination underway with outlay of 10 billion yen in mind

NIKKEI (Page 1) (Excerpts)  
December 23, 2007

The government and the ruling camp on Dec. 22 started looking into the possibility of setting up a fund to be jointly financed by Japan and China with the aim of protecting the environment in China. The

heads of the ruling parties will coordinate the details. If the proposal is finalized, Prime Minister Yasuo Fukuda will propose it to the Chinese side during his visit to the nation starting on Dec. 127.

Protecting the environment in China has been seen as one means of preventing global warming. The government wants to play up the Fukuda administration's enthusiasm with the establishment of such a fund in the run-up to the G-8 (Lake Toya Summit) in July next year, where global warming will be one of the top agenda items.

The establishment of the fund is also intended to partially replace the end of yen loans in fiscal 2007. The government has searched for a new framework for providing funds to China based on the policy of continuing cooperation on the environment. It has judged that if both countries provide funds, hard-liners against China in the Liberal Democratic Party (LDP) would agree.

The government wants to confer on the proposal at the working level, after proposing it at the bilateral summit, and reach an agreement at the summit in July.

#### 14) U.S. nuclear fuel processing plan draws in 18 countries

NIKKEI (Page 7) (Excerpts)  
December 26, 2007

Kazuaki Fujii, Washington

The United States government is accelerating its plan to establish a framework to increase the use of nuclear power internationally and for countries to reprocess used nuclear fuel. As of May, only four countries - Japan, France, China, and Russia - had joined the U.S. plan. But the number has increased to 18. The U.S. government has already signed contracts with such private firms as Mitsubishi Heavy Industries, Japan Nuclear Fuel Limited, and Areva of France. The U.S. aims to dissolve concern about funding and technology by joining hands with foreign countries, mainly Japan.

#### 15) Assumption of North Korea's debts worth 45 billion yen: MOFA insists on demanding payment

TOKYO 00005653 008 OF 008

YOMIURI (Page 4) (Full)  
December 22, 2007

The government has decided to in principle take on 44.8 billion yen in the outstanding balance of loans the Japan Bank for International Corporation (JBIC) extended to North Korea for the construction of light water nuclear reactors by the Korean Peninsula Energy Development Organization (KEDO). The procedure will be that the government outlays funds to KEDO, and KEDO pays the money to the JBIC. The outlay of funds will start next fiscal year and continue for up to five years. The government earmarked approximately 9 billion yen in the initial fiscal 2008 budget.

A senior official of the Ministry of Foreign Affairs (MOFA) yesterday stressed his ministry's view that it will ask North Korea to repay the money, noting that the outlay of funds to KEDO does not mean that the Japanese government will assume North Korea's debts payments. However, it is viewed that there is almost no possibility of North Korea responding to Japan's demand for the repayment of the loans, as a government source put it. Such being the situation, it would be unavoidable for Japan to cover North Korea's debts with taxpayers' money. Some ruling party members are voicing skepticism about the idea of Japan assuming the payment of debts held by North Korea.

The government in April 1999 decided at a cabinet meeting that the JBIC would extend loans up to 116.5 billion yen (1 billion dollars) for the construction of two nuclear light-water reactors, which KEDO will provide to that nation. North Korea was expected to pay the loans through KEDO. However, the arrangement was that in the event of North Korea failing to pay its debts, the Japanese government would cover the losses. Following North Korea's declaration of its

possession of nuclear weapons, it was decided to end construction of the light-water nuclear reactors in May 2006. As a result, loans worth 44.9 billion yen turned sour.

DONOVAN